

**VILLAGE OF NORTHFIELD
BOARD OF TRUSTEES
Minutes of January 11, 2011**

- I. ROLL CALL.** Chair Doug Lawson, Trustees Colin Bright, Libby Hambleton (absent), and Larry Porter. Also present were Village Manager Nanci Allard, Acting Clerk Kenneth McCann, Accounting Manager Laurie Baroffio, and Lela McCaffrey, CPA (Fothergill, Segale & Valley).

Chair Lawson called the meeting to order at 7:00 p.m.

II. PUBLIC PARTICIPATION (Scheduled):

- a. Lela McCaffrey, CPA, Fothergill, Segale & Valley: FY 2009/2010 Village Financial Statements.** Ms. McCaffrey's accounting firm provided the financial audit of the Village of Northfield for the fiscal year that ended on June 30, 2010. She was present tonight to provide an overview and answer any questions regarding the written reports that had already been distributed to the Board members and municipal management.

Ms. McCaffrey stated that the Village of Northfield's financial statements are in accordance with proper accounting standards. She added that the Village ended its 2009/2010 fiscal year (June 30, 2010) with budget surpluses in the Village General (\$10,000) and Village Highway (\$34,000) accounts. In addition, the Water Department had seen a slight increase in net income, the Sewer Department had seen a slight decrease, and the Electric Department also had seen a decrease. The financial statements also indicate which Village funds are readily available and which are designated to Capital Improvement projects.

Ms. McCaffrey noted that federal grant monies (i.e. "stimulus" funds) had been used in a major water project during the last fiscal year. Although this required special attention by the Accounting Department, no problems had been found regarding the procedures taken. She added that there had not been any difficulty in performing the audit. Although the term "misstatements" was used in the report, this is a technical term and does not indicate any bad intentions or incompetence on anyone's part. Ms. McCaffrey noted that her auditing firm is trying to develop new phrasing for such circumstances in order to eliminate any allusion that might (incorrectly) give the appearance of bad faith. She stated that there were no disagreements with management throughout the process, nothing was hidden, etc.

Ms. McCaffrey stated that the Governmental Accounting Standards Board (GASB) has developed new standards (known as GASB 54) that will take effect during the current fiscal year. The new standard will expand the current three (3) categories for funds balances (Reserved, Unreserved [Designated], and Unreserved [Undesignated]) into five (5) categories (Nonspendable, Restricted, Committed, Assigned, and Unassigned). Ms. McCaffrey added that she has provided Accounting Manager Baroffio with guidelines that will assist with this development.

Manager Allard asked, in light of the recently discovered embezzlement at Hardwick Electric Department, if Fothergill, Segale & Valley could provide any suggestions on how to develop better internal controls for the Northfield Electric Department. Ms. McCaffrey said that there is not a boilerplate policy available yet. She added that the main problem in Hardwick was that it was a same office and only one person was handling the funds coming in and going out. This is not the case in Northfield, as these tasks are split amongst employees. Fothergill, Segale & Valley does look at municipal accounting practices during audits and identifies any potential problems such as this.

Trustee Porter asked if the Hardwick Electric Department had been audited during the period when the embezzlement occurred. Ms. McCaffrey stated that three (3) different firms had conducted audits over a ten (10) year period. She added that usual audit practices are not designed to find fraud and abuse, though it will be reported if discovered. "Forensic" audits usually are conducted when there are suspicions that wrong-doing has taken place and they are usually done by out-of-state firms.

Trustee Bright thanked Manager Allard Accounting Manager Baroffio for their efforts in making this a pleasant report to read. Trustee Porter agreed with him.

Ms. McCaffrey and Accounting Manager Baroffio left at this time.

III. ACTION ITEMS

a. Approval of Minutes

1. **December 14, 2010 (Regular Meeting).** Motion by Trustee Bright, seconded by Trustee Porter, to approve the minutes. Trustee Porter and Chair Lawson noted a couple mistakes. These will be corrected. **Motion to approve amended minutes passed 3-0-0.**
2. **December 20, 2010 (Special Meeting).** Chair Lawson noted that there was not a quorum of Board members present tonight who attended this meeting. Therefore, approval will be postponed until a future meeting.

b. Approval of Bills

1. **Validation of Warrant #13-11.** Motion by Trustee Porter, seconded by Trustee Bright, to validate the previous approval by signature of Warrant #13-11. **Motion passed 3-0-0.**
2. **Validation of Warrant #13-11A.** Motion by Trustee Bright, seconded by Trustee Porter, to validate the previous approval by signature of Warrant #13-11A. **Motion passed 3-0-0.**
3. **Warrant #14-11.** Motion by Trustee Porter, seconded by Trustee Bright, to approve Warrant #14-11 in the amount of \$711,503.42. Trustee Porter asked about a charge to repair lights on the Village Common. Manager Allard stated that an upgrade was needed to put up the Christmas lights. Trustee Porter asked why there was an eighty-two cent (82¢) payment for internet service. Manager Allard stated that the bill is split between several departments. **Motion passed 3-0-0.**

- c. **Capital Expense Note (2009 International Dump Truck): \$63,763 at 2.15% interest.** Motion by Trustee Bright, seconded by Trustee Porter, to approve and sign the Capital Expense Note, the Capital Expense Borrowing Resolution, the No-Arbitrage and Use of Proceeds Certificate as well as authorize Chair Lawson to sign the Commercial Loan Closing Sheet. Manager Allard stated that it was standard practice to annually refinance capital purchases; this usually results in a lower interest rate. **Motion passed 3-0-0.**

- d. **Capital Expense Note (2008 Ford F550 One Ton Truck): \$10,742 at 2.15% interest.** Motion by Trustee Bright, seconded by Trustee Porter, to approve and sign the Capital Expense Note, the Capital Expense Borrowing Resolution, the No-Arbitrage and Use of Proceeds Certificate as well as authorize Chair Lawson to sign the Commercial Loan Closing Sheet. **Motion passed 3-0-0.**

- e. **Village Trustee Vacancy.** Chair Lawson noted that there have been three (3) applicants (Kevin Beal, Chris Bradley, and David Maxwell) so far for the vacant position. Trustee Bright suggested inviting all applicants to the next regular meeting (01/25/11) so that they can be interviewed in open session; all applicants will be invited to attend. A deadline for additional applicants (Thursday, January 20, 2011) will be publicized.

- f. **Role of Inter-Local Agreement Committee.** Chair Lawson noted that the committee was formed after the Inter-Local Agreement was approved in June 2002. There has been one applicant for the slot reserved for a Village resident but it is unclear whether that person can serve. The language in the agreement states that the Village resident must be utility "user" and it will be confirmed whether the applicant is eligible.

- g. Board of Tax Abatement Meeting: January 19, 2011.** Chair Lawson stated that this meeting is in response to a request from the Village for reimbursement of overcharged property taxes. He would be grateful if Trustees Bright and Porter could attend the meeting with him.
- h. Village Common Project.** Chair Lawson stated that the Village had been “earmarked” for funds to rehabilitate the Common in the federal Omnibus Bill. However, we learned from Senator Patrick Leahy’s office last week that, due to the current public hostility towards such earmarks, the bill had been pulled. There was a suggestion to look towards state grants to fund the project. This past Monday (01/10/11), the Village was informed that it had been awarded a \$250,000 VTrans grant from the State. Chair Lawson stated that a previously scheduled meeting with the project engineer was held this morning, which he and Trustee Bright attended. Although the funding has been secured, significant planning still needs to be done. Chair Lawson thanked Manager Allard and Zoning Administrator Michele Braun for their efforts in obtaining these monies. Trustee Porter asked if the project was basically designed. Chair Lawson said that it was; the monies will be used to rebuild the sidewalks on the north side of the Common (from Merchants Bank to the Common Café and perhaps towards North Main Street). Trustee Porter asked if there was a possibility of extending this target area to include the area by the railroad tracks that leads to the Police Station and the Senior Center. Chair Lawson said that this could be considered when cost estimates are developed for the various segments of the project. He added that the work on the south end of the Common would be financed by the remaining Water Project funds. The grant money probably would not become available during the next construction season. Trustee Porter would prefer that all work be done prior to the next Labor Day Weekend festivities. Chair Lawson thought that this might be a tight schedule. Manager Allard will look into this.

IV. REPORTS

a. Village Manager

- 1. “Lost” Municipal Water.** Manager Allard stated that the new correlators that the Trustees had authorized during the last budget session have arrived. These are listening devices that will be installed on the municipal water system in order to locate leaks. It is estimated that twenty-two percent (22%) of the water that goes through the municipal system is unbilled.

b. Miscellaneous

- 1. Trustee Hambleton.** Chair Lawson noted that Trustee Hambleton is still in the hospital after surgery but is making progress. The Board members sent their best wishes during her recovery. *(Unfortunately, despite initial optimism following emergency heart surgery, Village Trustee Elizabeth Streeter (Libby) Hambleton passed away on Friday, January 14, 2011.)*
- 2. Police Department Statistics.** Trustee Porter noted that Police Chief Outten’s report indicated that total incidents, total arrests, and total DUI arrests had increased significantly in 2010. He asked if this might indicate that the Northfield Police Department is understaffed. Manager Allard stated that this was possible but it seemed clear that the Town Selectmen were determined to eliminate the sixth (6th) full-time police officer position when their budget negotiations resume. Trustee Porter asked if the Village Trustees could take any action that would restore the position. Manager Allard suggested that the best approach would be to attend the next Town Budget Meeting to be held next week.
- 3. Municipal Building Weatherization.** Trustee Porter asked about the status of this project. Manager Allard stated that she is still discussing this matter with the construction consulting firm E.F. Wall & Associates.

- 4. Trustee Bright Statement.** Trustee Bright then asked to read a written statement regarding the recent criticism leveled at Manager Allard, including the hostility demonstrated at the Selectboard meeting the previous night. He first addressed Chris Bradley who, as the elected Grand Juror, had contacted the State Attorney's Office regarding alleged malfeasance on Manager Allard's part for improper meeting minutes. Trustee Bright noted that although the State considered the matter "closed," Mr. Bradley continued cite this matter as evidence of wrongdoing by Manager Allard. He added that Mr. Bradley has "helped to create a hostile environment" for Manager Allard by repeatedly and publically "called into question her character and intentions." Trustee Bright stated that although Mr. Bradley had a right to express his opinions, he respectfully asked Mr. Bradley to tone down the rhetoric. Trustee Bright then criticized *Northfield News* Editor John Cruickshank for allowing opinion, often based upon misinformation, to find its way to the front page instead of the editorial pages. He repeated the same request he made of Mr. Bradley, asking Mr. Cruickshank to avoid the "misguided hostility" directed toward Manager Allard and the elected municipal boards. Trustee Bright then addressed the residents of Northfield, asking them not to let rumor and innuendo unduly shape their opinion of town government but instead attend Board meetings, talk to neighbors, make phone calls, etc. and learn the truth for themselves. He concluded by apologizing to Manager Allard for not speaking up in her defense earlier. Despite all the harsh criticism she has faced at public meetings (as well in print and on the internet), Trustee Bright stated that Manager Allard has "continued to perform [her] duties well and maintained [her] composure." Manager Allard thanked him for his kind words.

Chair Lawson stated that he had attended last night's meeting and noted that there had been much discussion of the Brown Public Library (BPL) facilities, the lack of communication between Manager Allard and the BPL Board of Trustees, etc. He said that Mr. Bradley had painted a very bleak picture. As Chair Lawson had done at that meeting, he then referred to the letter that BPL Librarian Sue MacMartin had written to Selectboard Chair Gregory Sanders and Manager Allard that that strongly commended Town Maintenance Worker Darrell Chamberlin for the exceptional work he has done in maintaining the BPL complex. There were specific references in the letter to the fine job Mr. Chamberlin did in maintaining the grounds, keeping the heating and air conditioning systems operating in peak condition, etc. The letter closed by saying that "having Darrell Chamberlin maintain our building and grounds has made a huge difference." Chair Lawson noted that this letter paints a very opposite picture from the one portrayed the previous evening.

V. PUBLIC PARTICIPATION (Unscheduled). There was none.

VI. ADJOURNMENT Motion by Trustee Bright, seconded by Trustee Porter, to adjourn. **Motion passed 3-0-0.**

The Board adjourned at 8:15 p.m.

Respectfully submitted,

Kenneth L. McCann

Kenneth L. McCann, Acting Clerk

These minutes are subject to approval at the next regular meeting.